

ment received up to the close of the fiscal year 1895 the sum of \$146,902,962. From the tax on circulation alone the receipts amounted to \$78,107,006, while the total estimated expenses of supervision, including salaries of officials, had been only \$15,636,976. The average annual cost of supervision, declared the Secretary,¹ has been \$473,848, while a tax of one-fourth of one per cent, on the average annual circulation would have yielded \$680,294." The Secretary also stated that "The gain to the government on account of national bank-notes lost or destroyed, and which are consequently never presented for redemption, is estimated to be two-fifths of one per cent, upon the total amount issued, and has, according to this estimate, amounted to the sum of \$2,805,715."¹

The necessity for banking legislation which should give greater flexibility to the note-issuing system, and protection to the Treasury, had continued to be urged by far-sighted

¹ The amount of paper currency lost or destroyed and never presented for redemption is much smaller than is popularly believed. No exact figures have ever been obtained, because notes of the oldest issues are occasionally received for redemption, and even an approximate estimate can be made only upon issues of many years standing. No calculation based upon such issues has shown a larger average loss, except upon the small fractional currency, than one per cent, and Secretary Carlisle's estimate of two-fifths of one per cent, is probably not too small. The percentage applies, however, to the entire issues rather than to the net amount in circulation at any one time. The entire issues of United States notes up to the close of the fiscal year 1895 were \$2,725,981,808, and two-fifths of one per cent, of this amount would be about \$10,000,000. The total issues of national bank-notes to October 31, 1895, were \$1,906,918,995, and the proportion of estimated loss would be about \$7,500,000. This loss, however, will not be realized until all the recent issues have been many years outstanding, which accounts for the variation from the estimate of Mr. Carlisle. One of the proofs of the small percentage of loss upon paper currency is furnished by the old demand notes, of which \$60,030,000 were issued and only \$54,847, or less than one-tenth of one per cent., were outstanding on June 30, 1895. These notes, however, having been received for customs in common with gold, did not remain so long in circulation as some other forms of paper currency. Of \$1 and \$2 notes in circulation in Canada on June 3, 1871, less than one per cent, were outstanding in 1894.—Breckenridge, 337.